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Gov. Schwarzenegger Joins Three Western States' Governors to Announce Electric Transmission Line Agreement

'Frontier Line' through Wyoming, Utah, Nevada and California Will Enhance Reliability of the Western Transmission Grid, Provide Economic Benefits

Gov. Arnold Schwarzenegger today announced an agreement between Wyoming, Utah and Nevada that will create a four state partnership for development of the 'Frontier Line.' The agreement supports Gov. Schwarzenegger's State of the State promise to create additional transmission lines. The Frontier Line Project will be constructed through each state over the next five years and be able to deliver renewable and conventional energy resources generated from wind and clean coal.

"In my State of the State Address, I promised all Californians that in addition to working toward conservation and renewable energy, we should expand our aging transmission grid, to ensure that California has reliable and affordable electricity," said Gov. Schwarzenegger. "I want to thank my friends Nevada Gov. Kenny Guinn, Utah Gov. Jon Huntsman, Jr. and Wyoming Gov. Dave Freudenthal for also recognizing that we need abundant, available, reliable power and we need it now."

The governors created the partnership through a Memorandum of Understanding (MOU) out of recognition that there is growing consumer electric power demand in the West and that it is best handled through regional cooperation. The project will also more tightly coordinate the four states' development of renewable and conventional resources.

"I am very encouraged by what the 'Frontier Line' represents," said Nevada Gov. Guinn. "We all clearly remember the energy crisis that hit the West in 2000-01. This is a very important step forward for the State of Nevada and the West. Thanks to the MOU that is being signed among the four participating states, the region is moving with great speed and unparalleled cooperation to ensure that we will continue to meet a growing energy demand - and provide vital economic and environmental benefits to all the participating states. A sense of teamwork and shared vision is a big part of what this agreement represents for the needs of the West to be met, it is essential that this teamwork and shared vision is carried forward in a workable framework like the 'Frontier Line.'"

The agreement creates a transmission project coordinating committee, the Frontier Line Task Force, that will include a member from each state. Work has already been done to identify potential routes for the project, most of which will be along proposed or existing corridors. The coordinating committee will serve as a surrogate manager until the project can be made available for further engineering analysis and development.

"The Frontier Line proposal reflects real progress in creating a regional solution to existing transmission bottlenecks, and real opportunity to provide benefits by way of lower-cost electricity to consumers across the region," said Wyoming Gov. Freudenthal. "Detailed feasibility and financial planning remains to be done, but this project is the result of nearly two years of dedicated planning by stakeholders in the West. I appreciate those efforts, because this proposal could be a huge opportunity for the West to remove obstacles that prevent low-cost, diverse electricity sources from satisfying a growing customer demand."

The four-state MOU is an outgrowth of efforts to identify needed transmission upgrades. The states involved have pledged to seek input from federal, state and local officials having jurisdiction over aspects of the project, and with interested stakeholders.

Utah Governor Huntsman said: "I have committed to making energy policy a priority in my administration. Our main focus is to connect Utah residents and businesses to reliable and affordable energy sources. The prospect of connecting producers and consumers of electricity across the West is a promising source of economic benefit to Utah and to the other states involved."

According to a detailed analysis conducted by the Rocky Mountain Area Transmission Study (RMATS), the estimated annual benefit of such a line to mountain states in the West is between \$926 million to \$1.7 billion. The estimated annual benefits to California alone range from \$325 million to \$400 million. The estimated total cost of this type of project, according to the RMATS study, is approximately \$3.3 billion. Consumers in the West are expected to reap greater benefits from this line over its costs in only a few years. The total investment value of the 'Frontier Line' is expected to range between \$3.5 and \$5 billion in transmission assets and \$10 to \$15 billion in general assets.

The Frontier Line Task Force will also address the regulatory, financial, economic, engineering and environmental challenges that a project of this magnitude is certain to face. Through the states' active involvement, the Frontier Line is intended to bring reliability, economic, environmental and security benefits to the West.